

## **General Revenue Related Acts 2012 Regular Session**

### **Act 2012-54 (HB 144)**

#### **Expands Existing Tax Incentives to Investments by Companies Engaged in Coal Mining**

This act amends Sections 40-9B-3 and 40-18-190; expands existing tax incentives to investments by companies primarily engaged in the coal mining industry; adds Industry Group 2121 (Coal Mining) to the qualifying business activities that qualify for abatements and capital credit; exempts coal companies from sales and ad valorem taxes for a period of ten years but will have no effect on the administration of the coal severance taxes imposed in Title 40, Chapter 13.

*Effective Date:* March 1, 2012

### **Act 2012-168 (HB 152)**

#### **"Heroes for Hire" Tax Credit Act of 2012**

This act provides that companies who meet the requirements of the "Full Employment Act of 2011" may receive an additional \$1000 credit for each new employee hired who is defined as a "recently deployed unemployed veteran" (RDUV) (discharged within the last 2 years), to be applied against the employer's income tax liability; allows a RDUV a nonrefundable credit up to \$2000 against the income tax liability for expenses associated with one start-up business in which the RDUV holds at least 50% ownership; the \$2000 credit can only be taken for a business (located in Alabama) started after the passage of this bill and with a net profit of at least \$3000 for the year in which the credit is taken; an employer cannot claim the additional \$1000 credit for an employee who has claimed the \$2000 credit and the RDUV cannot claim the \$2000 credit if his/her employer has claimed the additional credit on him/her.

*Effective Date:* April 2, 2012. The exemptions apply for all tax years beginning on or after January 1, 2012.

### **Act 2012-185 (HB 39)**

#### **State Sales Tax Exemption for Parts, Components and Systems used in Conversion, Reconfiguration and Maintenance of Transport Category Aircraft**

This act amends Section 40-23-4(a)(46); exempts the gross receipts from the sale of parts, components, and systems that become a part of a fixed or rotary wing military aircraft or certified transport category aircraft which undergoes conversion, reconfiguration or general maintenance so long as the address of the aircraft for FAA registration is not in Alabama; exemption applies to state sales tax only; there is no corresponding local exemption unless specifically passed by local ordinance or resolution; there is no corresponding use tax exemption; exemption is effective for the fiscal year beginning October 1, 2012, and ending May 30, 2022, unless extended by legislative action.

*Effective Date:* October 1, 2012. Exemption ends May 30, 2022, unless extended by Legislature.

### **Act 2012-209 (HB 17)**

#### **Establishes the Crime of Offering a False Instrument for Recording against a Public Servant**

This act amends Section 13A-9-12; makes it a felony for offering a false instrument for recording against a public servant; a person commits the crime when the person offers, for recording, a written instrument which relates to or affects the real or personal property, or an interest therein, or a contractual relationship of a public servant, knowing that the written instrument contains a materially false statement or materially false information, with the intent to defraud, intimidate, or harass the public servant, or to impede the public servant in the performance of his or her duties; provides for penalties; sets forth a procedure allowing any person to petition a recording official to expunge a false instrument that has been recorded.  
*Effective Date:* April 19, 2012

#### **Act 2012-210 (HB 154)**

##### **Alabama Data Processing Center Economic Incentive Enhancement Act of 2012**

This act amends Sections 40-9B-3, 40-9B-4, 40-18-190, and 40-18-193; entitled the Alabama Data Processing Center Economic Incentive Enhancement Act of 2012; allows the governing body of a municipality, county, or a public industrial authority to grant abatements of certain ad valorem taxes and construction related transaction taxes to private users of data processing centers for a period of up to thirty years; amends the definition of a "data processing center" by reducing employment thresholds in order to qualify for an abatement from 50 to 25 and requires the annual average total compensation of the new jobs to be no less than \$40,000; amends the definition of "Industrial Development Property" by adding Subsector 493, where the trade or business will provide logistics services related to the distribution of goods, employ 50 or more persons, and involve a capital investment of at least \$5 million, except that the investment in a trade or business located in a favored geographic area, as defined in Section 40-18-190(a)(6), must exceed \$1 million; amends the maximum exemption period to provide for an abatement of 10 years for data processing centers with a capital investment that does not exceed \$200,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project; a period of 20 years with a capital investment exceeding \$200,000,000 but not greater than \$400,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project; and a period of 30 years with a capital investment exceeding \$200,000,000 within 10 years of the private user commencing the acquisition, construction and equipping of the project and exceeding \$400,000,000 within 20 years of the private user commencing the acquisition, construction and equipping of the project; provides that the abatement for data processing centers covers all real and personal property acquired at any time during the applicable maximum exemption period.

*Effective Date:* April 19, 2012

#### **Act 2012-212 (HB 243)**

##### **Increases the Maximum Expended Amounts Beyond which Entertainment Industry Rebates Would not Be Allowed and Increases the Annual Cap for Incentives**

This act concerns the Entertainment Industry Incentives Act of 2009; amends Sections 41-7A-43 and 41-7A-45, as amended by Act 2011-695 of the 2011 Regular Session, and Section 41-7A-48; increases the maximum expended amounts beyond which entertainment industry rebates would not be allowed and increases the annual cap for incentives allowed during any fiscal year; raises the maximum expended amount beyond which rebates would not be allowed; increases the annual cap for incentives allowed during any fiscal year to \$15 million for FY 2013; \$15 million for FY 2014; and \$20 million for fiscal years thereafter.

*Effective Date:* April 19, 2012

**Act 2012-227 (SB 298)**

**Specifies That a Law Enforcement Officer Can Have a Motor Vehicle Towed if Driver has Been Arrested or Injured, or Motor Vehicle Needs to Be Removed for Other Reason as Determined by a Law Enforcement Officer**

This act amends Sections 32-13-1 and 32-13-2; amends the definition of an "abandoned motor vehicle" in Title 32, Chapter 13, to include vehicles unattended because the driver of the vehicle has been arrested or is impaired by an accident or for any other reason which causes the need for the vehicle to be immediately removed as determined necessary by the law enforcement officer, or which is subject to an impoundment order for outstanding traffic or parking violations.

*Effective Date:* April 24, 2012

**Act 2012-256 (HB 436)**

**Severe Weather Preparation Sales Tax Holiday**

This act exempts purchases of certain covered items (storm prevention/recovery items) from the state sales and use tax during the first full weekend in July, 2012, and during the last full weekend of February in subsequent years; authorizes any county or city to exempt certain covered items from local sales and use taxes; prohibits a county or municipality from providing for a sales and use tax exemption during any period of the year that is not designated as a sales tax holiday.

*Effective Date:* April 26, 2012

**Act 2012-259 (HB 73)**

**Income Tax Refund Check-Off for Victims of Crime and Leniency, Inc. (VOCAL)**

This act amends Section 40-18-140; relating to income tax refund check-offs; provides an income tax refund check-off for a contribution to Victims of Crime and Leniency, In. (VOCAL).

*Effective Date:* April 30, 2012. For tax years beginning after December 31, 2012.

**Act 2012-279 (SB 459)**

**Optional Network Election for Single Point Online Transactions or "ONE SPOT"**

This act requires the Department of Revenue to develop and make available a system which allows any taxpayer required to file and remit a state, county, or municipal sales or use tax or a state, county, or municipal leasing or rental tax the ability to file and remit the sales and use tax or leasing or rental tax returns and payments through an electronic single point of filing program; entitled the Optional Network Election for Single Point Online Transactions or "ONE SPOT"; provides that use of the system is optional to business entities; there will be no charge to utilize ONE SPOT by a taxpayer or local taxing jurisdiction; creates a State and Local Advisory Committee to provide input to the Commissioner of Revenue, and provides for its membership, powers, and duties; the Department of Revenue shall develop and make available the ONE SPOT system no later than September 30, 2013.

*Effective Date:* July 1, 2012. For returns and payments for tax periods beginning after September 30, 2013.

**Act 2012-293 (HB 89)**

**Statewide Prepaid E-911 Fee**

This act amends Sections 11-98-1, 11-98-2, 11-98-4, 11-98-5, 11-98-6, 11-98-7, and 11-98-9; adds Sections 11-98-4.1, 11-98-5.2, 11-98-5.3, 11-98-13, 11-98-13.1, 11-98-14, and 11-98-15; repeals Sections 11-98-5.1, 11-98-7.1, and 11-98-8; creates a statewide E-911 Board to replace the existing Commercial Mobile Radio Service Board (CMRSB); empowers the board to establish and collect a single statewide emergency telephone service charge to be paid into an E-911 Fund replacing all other existing wireline and wireless E-911 charges and provides new procedures for the collection of the emergency service charge from prepaid wireless consumers at the point of sale; proposes that a single monthly statewide E-911 charge shall be imposed on each active voice communications service connection in Alabama payable by the subscriber to the voice communications service provider to the 911 Board; the statewide 911 charge collected under Section 11-98-5 will not be subject to taxes or charges levied on or by the voice communications service provider and the charges and fees will not be considered revenue of the provider for any purposes; provides that prepaid wireless charges will be taxed at the point of sale paid by the consumer, collected by the seller at the time of the sale and remitted to the Department on Revenue; Revenue will remit the amount collected to the CMRSB within 30 days of the date received; the fee shall be administered in the same manner as applicable in Chapter 23 of Title 40; the audit and appeal procedures applicable to Chapter 23 of Title 40 shall apply to the wireless 911 fee.

*Effective Date:* May 8, 2012

Sections 11-98-4.1, 11-98-5.2, 11-98-13.1, 11-98-14, and 11-98-15 become effective May 8, 2012. Section 11-98-5.3 will become effective September 1, 2012. The remaining provisions of the act become effective on October 1, 2013.

#### **Act 2012-304 (HB 359)**

##### **Foreign Corporations Provided with Same Obligations, Rights and Consequences as Other Foreign Entities Doing Business Unregistered**

This act amends Section 10A-1-7.21 and repeals Sections 10A-2-15.01 and 10A-2-15.02; consequences of a foreign corporation transacting business without registering with the Secretary of State same as other foreign entities doing business in the State unregistered.

*Effective Date:* January 1, 2014, following the ratification of the constitutional amendment proposed by HB357 of the 2012 Regular Session (Act 2012-275).

#### **Act 2012-305 (SB 86)**

##### **Income Tax Refund Check-Off for Contribution to Alabama Veterinary Medical Foundation for the Spay-Neuter Program**

This act provides an income tax refund check-off for a contribution to the Alabama Veterinary Medical Foundation for the Spay-Neuter Program.

*Effective Date:* August 1, 2012. Effective for the 2012 tax year and subsequent years.

#### **Act 2012-309 (HB 307)**

##### **Insulin Syringes and Other Diabetic Supplies Exempt from Sales and Use Taxes**

This act specifies that the sale of insulin syringes and other diabetic supplies purchased pursuant to a valid prescription will be exempt from any state, county, and municipal sales and use taxes; applies retroactively to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7, or any successor general or

local law; pursuant to Section 2 of this act, no refunds shall be due or issued pursuant to this act with respect to those periods prior to the effective date of this act.

*Effective Date:* August 1, 2012

Retroactive to all open tax periods and all periods for which a preliminary or final assessment of tax could be entered pursuant to Section 40-2A-7.

#### **Act 2012-313 (HB 120)**

##### **Clarifies Process for Claiming Exemption from Ad Valorem Tax Due to Age or Disability**

This act amends Sections 40-9-19, 40-9-21, and 40-9-21.1; clarifies the process for claiming an exemption from ad valorem taxes due to age or disability; ties the exemptions provided for in 40-9-19 (d) and 40-9-21 to the income thresholds present in these sections; raises the income threshold from \$7,500 to \$12,000.

*Effective Date:* August 1, 2012

The amendatory language in the act will apply for tax years beginning on or after October 1, 2012.

#### **Act 2012-317 (HB 341)**

##### **Exempts Underground and Aboveground Storage Tanks from Requirements of Alabama Uniform Environmental Covenants Act**

This act amends Section 35-19-2; exempts underground and aboveground storage tanks storing motor fuel from the Alabama Uniform Environmental Covenants Act (AUECA); does not affect Title 22, Subtitle 1, Chapter 35 which imposes the storage tank trust fund charge, administered by the Department of Revenue.

*Effective Date:* August 1, 2012

#### **Act 2012-318 (HB 364)**

##### **Further Provides for the Levy, Collection, and Administration of Severance Tax, Including Point When Tax is Levied**

This act amends Sections 40-13-51, 40-13-53, 40-13-54, 40-13-55, 40-13-56, 40-13-57, and 40-13-58; further provides for the levy, collection, and administration of the severance tax, including the point when the tax is levied; provides a definition for "pollution control" or "abatement"; amends definition of "severed material" to exclude severed materials that are further processed into a finished aggregate or limestone product without being transported on a public road; requires the Department of Revenue to provide the county commissions with more detailed information regarding the distributions, including copies of taxpayer's returns, upon request of the county ; requires the tax to be imposed on severed materials which are sold, delivered, or transferred between separate legal entities; provides an exemption from the tax where a producer who severs material from the earth and sells the severed material to the first purchaser without the materials being transported on a public road; provides that direct purchases by sovereign governmental entities are not subject to the tax hereunder; no penalties shall be imposed against a producer or purchaser for any severance tax due, based upon an interpretation of the provisions of this act, until the Department has adopted rules that have been effective for 60 days.

*Effective Date:* October 1, 2012

#### **Act 2012-335 (SB 382)**

**Extends Collection of Construction Craft Industry Fees**

This act amends Section 7 of Act 2009-561, and repeals Section 7 of Act 2010-220; provides for the continued collection of construction craft industry fees; all licensed contractors performing work on any construction project job located in Alabama must remit a fee to the Department of Revenue to be used for the recruitment and training of new construction craft trade workers; construction craft industry fee is subject to sunset provisions on October 1, 2014.

*Effective Date:* May 10, 2012

**Act 2012-362 (HB 272)****Repeals the Requirement for the Social Security Number to be Provided by Applicants for Renewal of Licenses**

This act amends Section 30-3-194; relates to providing the Social Security Number for the issuances and renewal of a license; repeals the requirement for providing the Social Security Number for a license renewal.

*Effective Date:* August 1, 2012

**Act 2012-378 (SB 426)****Eliminates Minimum Penalty Provision in Failure to File Tax Law**

This act amends Section 40-2A-11; discontinues the assessment of the late filing penalty in cases where an individual income tax return was filed reflecting no tax due at the time of filing; failure to file penalty remains unchanged for other taxpayers.

*Effective Date:* May 14, 2012. For tax returns filed for the 2011 and subsequent tax years.

**Act 2012-385 (HB 140)****Extension of Time Period to Claim Capital Credits**

This act amends Section 40-18-194; provides for a carry forward and delay of credit mechanism for certain qualifying projects that incur more than \$100 million in capital investment and create at least 100 jobs; projects that incur at least \$400 million will be allowed to carry forward the capital credit up to four taxable years; projects that incur at least \$300 million but less than \$400 million will be allowed to carry forward the credit up to three taxable years; projects that incur at least \$200 million but less than \$300 million will be allowed to carry forward the credit up to two taxable years; projects that incur at least \$100 million but less than \$200 million will be allowed to carry forward the credit one taxable year; allows a company that meets the investment and the jobs thresholds to delay the start of the qualifying project for up to three years; projects that are placed in service after December 31, 2011, and meet the thresholds will be allowed the carry forward and delay provisions.

*Effective Date:* May 14, 2012

This act shall become effective for all qualifying projects for which a project agreement has been entered into prior to December 31, 2011, but which have not been placed in service as of December 31, 2011, and for all qualifying projects for which a project agreement is entered into on or after December 31, 2011.

**Act 2012-386 (HB 145)****Extension of Excise and Privilege Tax on Coal**

This act amends Sections 40-13-2, 40-13-6 and 40-13-8; provides for the collection of the excise and privilege tax on coal; amends the distribution amounts and formulas for those agencies

receiving proceeds from the \$0.135 coal severance tax; counties producing coal that had not previously received an allocation will receive an allocation based upon tonnage produced in the county using 60% of the severance tax; terminates the tax on October 1, 2021, unless extended by the Legislature.

*Effective Date:* August 1, 2012

For fiscal year beginning October 1, 2011, the tax shall apply to all severance of coal from October 1, 2011, through the effective date of this act, as well as the severance of coal after the effective date of this act. No penalties or interest will be assessed for the tax return or payment related to the tax for the periods from October 2011 through the effective date of this act if the return is filed and payment is remitted by August 20<sup>th</sup>, 2012.

#### **Act 2012-391 (HB 328)**

##### **Income Tax Credit for Purchase and Installation of Irrigation Equipment**

This act provides for the expense allowance provided to Alabama income taxpayers under Section 179 of the Internal Revenue Code for irrigation equipment; for all tax years beginning after December 31, 2011, there is allowed to any agricultural trade or business an income tax credit of 20% of the cost of the purchase and installation of qualified irrigation equipment and conversions costs related to irrigation systems or the development of irrigation reservoirs and water wells; credit shall be limited to only one purchase and installation of qualified irrigation equipment or one qualified reservoir per taxpayer; the credit may not exceed \$10,000 in any tax year or the taxpayer's Alabama income tax liability computed without regard to the credit.

*Effective Date:* May 14, 2012. For all tax years beginning after December 31, 2011.

#### **Act 2012-395 (HB 401)**

##### **Sales and Use Tax Exemption for Metal Held for Investment Purposes**

This act amends Sections 40-23-4 and 40-23-62; Section 40-23-4 is amended to exempt the gross receipts from the sale or sales of metal, other than gold or silver, when the metal is purchased for the purpose of transferring such metal to an investment trust in exchange for shares or other units, each of which are both publicly traded including metal stored in warehouses located in this state; the exemption defines metals to include copper, aluminum, nickel, zinc, tin, lead, and other similar metals typically used in commercial industrial applications; Section 40-23-62 is amended to exempt the storage or use of these metals.

*Effective Date:* August 1, 2012

#### **Act 2012-413 (SB 227)**

##### **Establishes a Catastrophe Savings to Cover Insurance Deductibles and Other Uninsured Portions of Risks of Loss to Owners of Residential Property Owners from Windstorm Events**

This act establishes a catastrophe savings account to provide reimbursement for insurance deductible amounts and other uninsured portions of risks of loss to owners of residential property from a windstorm event; a taxpayer may establish only one catastrophe savings account; allows individual taxpayers a deduction against income earned for state income tax purposes imposed pursuant to Section 40-18-5 for amounts contributed to a catastrophe savings account; the total amount that may be contributed to the catastrophe savings account cannot exceed any of the following: 1) individuals whose qualified deductible is less than/equal to \$1,000, the maximum

amount is \$2,000, 2) individuals whose qualified deductible is greater than \$1,000, the maximum amount is the amount equal to the lesser of \$15,000 or twice the amount of the taxpayer's qualified deductible, 3) self-insured individuals who choose not to obtain insurance on his/her legal residence, the maximum amount is \$250,000 but cannot exceed the value of the legal residence; if a taxpayer contributes in excess of the limits, the taxpayer must withdraw the excess amount and include the amount in Alabama income for purposes of Section 40-18-5, in the year of withdrawal; a distribution from a catastrophe savings account must be included in the income of the taxpayer unless the amount of the distribution is used to cover qualified catastrophe expenses; the tax paid pursuant to Section 40-18-5, attributable to a taxable distribution, with exceptions, must be increased by two and one-half percent of the amount which is includable in income; if a taxpayer who owns a catastrophe savings account dies, his/her amount must be included in the income of the person who receives the account, unless the person is the surviving spouse of the taxpayer.

*Effective Date:* May 15, 2012

#### **Act 2012-416 (SB 439)**

##### **Commissioner of Revenue Prescribes Number of Years Motor Vehicle License Plate Designs will be Valid**

This act amends Section 32-6-62; makes all license plate designs valid for a minimum period of five years; permits the Commissioner of Revenue, with the approval of the License Plates Legislative Oversight Committee, to authorize a license plate design to be extended past the current five (5) year period.

*Effective Date:* August 1, 2012

#### **Act 2012-425 (HB 277)**

##### **Levies Tax on Cigar Wrappers**

This act levies a tax on cigar wrappers and adds Section 40-25-2.1 to Title 40; defines a "cigar wrap" as an individual tobacco wrapper that is made wholly or in part from tobacco, including reconstituted tobacco, whether in the form of tobacco leaf, sheet, or tube, if the wrap is designed to be offered to or purchased by a consumer; the tax is levied on all cigar wrappers made using tobacco, sold at wholesale in this state, or imported into this state for use, consumption, or sale at retail; the tax will be based on weight; the rates for weight are the same as those levied on smoking tobacco; provides that this section does not apply to a cigar manufacturer using wrappers made from tobacco applying those wrappers on a finished cigar for sale at retail; before someone engages in the business of selling cigar wrappers on which the tax has not been paid to the Department of Revenue, they are required to obtain a license; this act requires monthly reports; provides for penalties; provides for the distribution of proceeds from the tax levy according to Section 40-25-23.

*Effective Date:* August 1, 2012

#### **Act 2012-426 (HB 278)**

##### **Secondary Metals Recyclers; Additional Records Required; Purchases of Specified Metal Property Limited; Registration with ACJIC Required; Database of Metal Property Sales Created; Criminal Penalties Established**

This act amends Sections 13A-8-30, 13A-8-31, 13A-8-32, 13A-8-33, 13A-8-34, 13A-8-35, 13A-8-36, 13A-8-37, and 13A-8-39; adds Sections 13A-8-31.1, 13A-8-31.2, 13A-8-35.1, 13A-8-37.1,

and 13A-8-37.2; requires secondary metals recyclers to maintain additional records relating to the purchase of ferrous and nonferrous metals; requires secondary metals recyclers to register with the Alabama Criminal Justice Information Center (ACJIC) or other responsible agency, who will maintain a database of certain information collected by secondary metals recyclers relating to the purchase of metal products; increases the enforcement provisions found in Title 13 related to secondary metal recyclers; amends the record keeping requirements; imposes criminal penalties for possession of stolen property; places restrictions on the purchase of certain items.  
*Effective Date:* August 1, 2012

**Act 2012-427 (HB 286)**

**Owners of Subchapter K Entities, Alabama S Corporations, and Owners and Resident Beneficiaries of Estates or Trusts Provided a Proportionate Tax Credit for Taxes Paid to a Foreign Country**

This act amends Sections 40-18-14 and 40-18-21; provides owners of certain pass-through entities, as well as resident beneficiaries of an estate or trust, with a credit equal to their proportionate share of certain income or gross profits taxes paid or accrued to other states or territories on behalf of owners, and a credit for 50% of income taxes paid or accrued to a foreign country with respect to the trade or business of investment income of such entity; requires the Department of Revenue to report annually to Legislature the extent to which credits for taxes paid to foreign countries are claimed during the preceding tax year; this act provides that taxpayers may recognize gains from any taxable disposition of all or any portion of assets or Subchapter K interests consistent with pre-act applications under Sections 40-18-14 and 40-18-21 where the parties can document that negotiations began prior to January 1, 2011; no penalty, including payments otherwise required under Section 40-18-80, shall be due or assessed for any underpayment of or failure to pay estimated income tax resulting from any retroactive application of the amendment in this act.

*Effective Date:* May 15, 2012

Amendments to Sections 40-18-14 and 40-18-21(a) apply to all tax years beginning after December 31, 2010. Amendments to Section 40-18-21(c) apply to all tax years beginning after December 31, 2011.

**Act 2012-434 (HB 556)**

**Extends Prohibition against Permitting New Solid Waste Facilities**

This act amends Act 2011-297, now appearing as Section 22-27-5.2; extends the prohibition against permitting new public solid waste landfill facilities until May 31, 2014; the moratorium period does not apply to industrial facilities receiving waste generated in-state only by the permittee.

*Effective Date:* May 15, 2012

**Act 2012-436 (HB 599)**

**Alabama Tourism Destination Attraction Incentive Act**

This act amends Sections 40-9B-3, 40-18-190 and 40-18-193; creates the Alabama Tourism Destination Attractions Incentive Act; allows the governing body of a municipality, county, or a public industrial authority to grant abatements of certain ad valorem and construction related transaction taxes to private users of tourism destination attractions for a period of up to 10 years and to enable tourism attractions to qualify for capital credits; tourism destination attraction

projects that locate in favored geographic areas with at least \$5 million in capital costs, create at least 20 (full-time) jobs for new employees and pay those new employees a base wage requirement as set in the law can qualify for and receive the income tax capital credit; those projects that are not located in favored geographic areas must invest at least \$20 million, create at least 50 (full-time) jobs and meet the base wage requirements, the "tourism destination attraction" definition encompasses most attractions that provide cultural, historical, natural/man-made beauty, entertainment and amusement opportunities that are designed to attract in-state and out-of-state visitors but does not include facilities primarily devoted to recreational establishments (shopping centers, restaurants, movie theaters, etc.) that serve the community; this act does not apply to any gaming facility; for qualifying industrial or research enterprises described in Section 40-9B-3 (a) (10) j., the approval of the abatement of a specified ad valorem tax or construction related tax levied or imposed by a county or municipality will take place only upon adoption of a resolution by the governing body of the county or municipality approving the abatement.

*Effective Date:* May 15, 2012

#### **Act 2012-474 (SB 398)**

##### **Innocent Spouse Relief**

This act amends Section 40-18-27 to conform to Federal law in regards to instances where taxpayers can seek relief from being jointly and severally liable for the income tax liability shown on a joint return; commonly referred to as "innocent spouse relief", the relief shall conform to Title 26 USC Sec. 6015(c) and 6015(f).

*Effective Date:* May 15, 2012

#### **Act 2012-483 (HB 257)**

##### **Alabama New Markets Development Act**

This act creates the Alabama New Markets Development Act; establishes state income, financial institution excise, and premium tax credits for investments in businesses in impoverished and low income communities pursuant to Section 45D of the Internal Revenue Code; the credits are transferable on the open market; any unused credit is available for carry forward (7 years) to future tax years; applications should be submitted to the Alabama Development Office with a \$5000 non-refundable fee; the Alabama Development Office may not certify more than \$20 million in credits during each tax year; the maximum investment qualifying for the credit is \$10 million per project.

*Effective Date:* August 1, 2012

#### **Act 2012-486 (SB 393)**

##### **Jason Barfield Act**

This act creates the Jason Barfield act; this bill allows residents an income tax exemption in the year declared deceased for any payment made by the U.S. Dept of Defense when the person was a member of the Armed Forces and was killed in action in a designated combat zone; exempts any income earned by the spouse of the deceased service member in the year the individual is declared deceased; the normal statute of limitations for filing a petition for refund would not apply.

*Effective Date:* May 16, 2012. Retroactively effective to January 1, 2011.

**Act 2012-491 (HB 658)****Beason-Hammon Alabama Taxpayer and Citizen Protection Act**

This act amends Sections 3, 5, 6, 8, 9, 13, 20, 21, 24, 27, 29 and 30 of Act 2011-535, now appearing as sections 31-13-3, 31-13-5, 31-13-6, 31-13-8, 31-13-9, 31-13-13, 31-13-19, 31-13-20, 31-13-23, 31-13-26, 31-13-28, 31-13-29; amends Section 32-6-9 and 32-6-10.1; makes revisions to the Beason-Hammon Alabama Taxpayer and Citizen Protection Act; business entities or employers, to include contractors and subcontractors, or persons receiving a grant or incentive by the state or political subdivision must enroll in E-Verify and verify every employee that is required to be verified according to applicable federal rules and regulations relating to the hiring of unauthorized aliens; if the business entity does not comply, and upon a finding by a court of competent jurisdiction, the court shall direct the applicable state, county, or municipal governing bodies to suspend the business licenses, permits, articles of incorporation, articles of organization, or any other authorizing document of the business entity; requires the Attorney General to defend law enforcement officers under certain conditions; requires the Administrative Office of Courts to submit a quarterly report to the Alabama Department of Homeland Security summarizing the number of cases in which an unlawfully present person was detained by law enforcement and appeared in court for any violation of state law; requires the Department of Revenue to conduct annual searches of its records to determine if multiple individuals have filed tax returns under the same Social Security number or the same individual tax identification number and investigate the use of the Social Security numbers or individual tax identification numbers; after a Social Security Number or individual tax identification number is determined to be stolen or misused, the Department of Revenue shall report the violation to the Attorney General or the appropriate district attorney.

*Effective Date:* May 18, 2012

**Act 2012-494 (SB 216)****Person Must Present Proof of Actual Purchase Price when Presenting a Deed or Bill of Sale to Be Recorded with the Judge of Probate**

This act amends Section 40-22-1; requires that a person presenting a deed, bill of sale, or other instrument conveying any real or personal property within this state or any interest in any property to the judge of probate for recording will present proof of the actual purchase price of property or actual value of the property; the Department of Revenue will develop a form which will be used for attesting to the actual value or actual purchase price of the property; if proof is not presented, the privilege or license tax will be based upon the assessed value of the property; the person failing to submit the required proof will be subject to a monetary penalty of \$100 or 25 percent of the privilege or license tax actually due, whichever is greater.

*Effective Date:* August 1, 2012

**Act 2012-513 (HB 249)****Exempts Alabama Marine Corps League from State, County, Municipal Sales and Use Taxes**

This act exempts the Alabama Marine Corps League from paying or collecting any state, county, and municipal sales and use taxes.

*Effective Date:* August 1, 2012

**Act 2012-524 (HB 505)**

### **Disaster Recovery Tax Incentive Protection Act of 2011**

This act amends Act 2011-709, now appearing as Section 40-9B-13, entitled the Disaster Recovery Tax Incentive Protection Act of 2011; provides further protection of tax abatements in the event properties are damaged or destroyed by natural disasters; defines "Disaster Replacement Property", "Governing Body", "Natural Disaster", and "Replaced Property"; tax abatements otherwise granted pursuant to this chapter will not be disqualified solely because the underlying transactions or property relate to the repair or replacement of property damaged by a natural disaster and not to new construction; expansion of abatement law applies to transactions entered into or property acquired after the tornado outbreaks of April 2011; ad valorem tax abatements in existence prior to the onset of a natural disaster shall not be disallowed because of an interruption of a qualifying business activity at the site; tax abatements on replaced property will apply to disaster replacement property obtained by a private user if: 1) the disaster replacement property is located at a different site than the replaced property, but not within the jurisdiction of a different governing body, so long as the cost of the disaster replacement property does not exceed the cost of the replaced property by more than 25 percent. The private user must provide written notice to the abatement granting authority, to the assessing official of the county where the property is located, and to the Department of Revenue of the change in location of the private use industrial property or the disaster replacement property no later than the first October 1 following the effective date of this act or the first October 1 following the change in location of the property, whichever is later. The user will also file the appropriate tax returns on October 1 of that year and each year thereafter, as required by law, 2) where the disaster replacement property is located within the jurisdiction of a governing body different from the replaced property, then the private user must obtain approval from the appropriate governing body for the continuation of the ad valorem tax abatement, in accordance with Sections 40-9B-5 and 40-9B-6, 3) if the cost of the disaster replacement exceeds the cost of the replaced property by more than 25 percent, then the private user will obtain governing body approval under the procedures outlined in Sections 40-9B-5 and 40-9B-6 for the abatement of any taxes on the investment amount of the investment that is greater than 25 percent more than the cost of the replaced property; no new approval is required on the amount of the new investment not greater than 25 percent more than the cost of the replaced property, if no new governing body is affected by the continuation of the tax abatements.

*Effective Date:* May 22, 2012. Retroactively effective on April 15, 2011.

### **Act 2012-533 (HB 638)**

#### **Expedited Issuance of Professional Licenses and Certificates for Spouses of Active Duty Military Personnel and Acknowledgement of Certain Licenses Obtained in Other Jurisdictions**

This act expedites the issuance of professional licenses and certificates for spouses of active military personnel; acknowledges licenses obtained in other jurisdictions; does not apply to the practice of law or the regulation of attorneys; applies to any board, agency, commission, or other entity providing professional licenses or certificates, or both, for the purpose of employment in Alabama; applies to individuals who are: 1) married to an living with an active duty member of the United State Armed Forces who is relocated to and stationed in Alabama under official military orders, 2) have not committed or participated in an act that would constitute grounds for refusal, suspension or revocation of a professional license or certificate, 3) have not been disciplined by an authorized entity or under investigation in relation to a professional license or

certificate, 4) has paid any required fee and submitted to any required background check by an authorized board, commission, or agency in Alabama; the professional license or certificate would be expeditiously issued based on the spouse having a current license or certificate which was obtained in other jurisdictions or states with greater or substantially similar licensing requirements as those required of the board, commission or agency in Alabama.

*Effective Date:* August 1, 2012

**Act 2012-536 (HB 696)**

**Levies an Additional Monthly Surcharge Due with Each Monthly Payment of Supplemental Privilege Assessment on Nursing Facilities**

This act amends Sections 40-26B-21, 40-26B-22 and 40-26B-26, as amended by Act 2011-614; levies an additional monthly surcharge beginning May 20, 2012 and ending August 31, 2013, to be due with each payment of the supplemental privilege assessment; initial monthly surcharge will be reduced September 20, 2012 until August 31, 2013; nursing facilities must remit the additional monthly surcharge per licensed bed per month; the surcharge will affect 16 months (periods for April 2012 through August 2013); the initial surcharge in the amount of \$131.25 will be required for the first 4 months and applies to tax returns filed for the periods of April 2012 through July 2012; reduces the additional monthly surcharge per licensed bed per month on nursing facilities beginning September 20, 2012 until August 31, 2013; beginning with the monthly payment of the supplemental privilege assessment due on September 20, 2012, the monthly surcharge decreases to \$43.75 per licensed bed per month; the surcharge applies to tax returns filed for the periods of August 2012 through August 31, 2013.

*Effective Date:* May 22, 2012

**Act 2012-543 (HB 187)**

**Income Tax Refund Check-Off for Alabama Association of Rescue Squads**

This act provides for a voluntary contribution to the Alabama Association of Rescue Squads made by check-off on annual income tax returns; a minimum annual contribution of \$2 may be voluntarily contributed.

*Effective Date:* August 1, 2012

**Act 2012-544 (HB 185)**

**Sales and Use Tax Exemption and Ad Valorem Tax Exemption for the Alabama Association of Volunteer Fire Departments, County Volunteer Fire Associations, the Alabama Association of Rescue Squads and Its County Volunteer Members, and All Local Fire Districts Not Under Their County Commission**

This act exempts the Alabama Association of Volunteer Fire Departments, county volunteer fire associations, the Alabama Association of Rescue Squads, Incorporated, all volunteer rescue squads that are members of the Alabama Association of Rescue Squads, all county volunteer rescue associations, all local fire districts that are not under the auspices of their county commission from any state, county, and local sales and use taxes and ad valorem taxes.

*Effective Date:* August 1, 2012

**Act 2012-561 (HB 213)**

**Certain Financial Entities Not Required to Be Licensed as Used Motor Vehicle Dealers**

This act amends Section 40-12-390; specifies that the term "used motor vehicle dealer" does not include credit unions or licensees of the State Banking Department and finance companies which acquire motor vehicles as an incident to their regular business, and does not include motor vehicle rental and leasing companies.

*Effective Date:* May 23, 2012

## **Local Revenue Related Acts 2012 Regular Session**

### **Act 2012-82 (HB 125)**

#### **Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Montgomery County**

This act repeals Act 1965-591; facilitates the use of public records in property transactions in Montgomery County by providing for the installation of an improved system of recording, archiving, and retrieving instruments and documents affecting the title to real and personal property and other documents recorded in the office of the judge of probate; provides for the collection and disposition of a special recording fee of \$5.00; provides that the system shall constitute official and permanent records in Montgomery County.

*Effective Date:* June 1, 2012

### **Act 2012-165 (HB 51)**

#### **Commissioner of Licenses in Morgan County May Collect a Voluntary Contribution for the Issuance/Renewal of a Boat Registration**

This act provides for the commissioner of licenses in Morgan County to collect a voluntary contribution for distribution to the Morgan County Rescue Squad upon the issuance or renewal of a boat registration in the county.

*Effective Date:* July 1, 2012

### **Act 2012-196 (HB 498)**

#### **Authorizes Cities in Jefferson County to Designate City License Issuing Official**

This act authorizes the mayor of any city in Jefferson County to designate a city officer or employee to process the renewal of motor vehicle license plates for motor vehicles; the city shall be audited by the Examiners of Public Accounts; requires city license plate issuing official and his or her employees to be bonded by a bonding company.

*Effective Date:* January 1, 2013

### **Act 2012-206 (HB 476)**

#### **Distribution of Additional TVA Payments in Marshall County**

This act amends Section 1 of Act 2011-527; provides for the distribution of additional TVA in-lieu-of-taxes payments received by Marshall County pursuant to Act 2010-135 to school systems in the county for payments to teachers achieving National Board Certification.

*Effective Date:* April 17, 2012

### **Act 2012-226 (SB 187)**

#### **Franklin County; Duties/Responsibilities/Liabilities Regarding Real Property Sales for Failure to Pay Taxes and Subsequent Redemptions Transferred to Revenue Commissioner**

This act provides that all duties, responsibilities, and liabilities regarding real estate sales for failure to pay taxes and subsequent redemptions be transferred from the Franklin County Judge of Probate to the Franklin County Revenue Commissioner.

*Effective Date:* July 1, 2012

**Act 2012-233 (SB 466)****Authorizes the Talladega County Commission to Levy a Lodging Tax**

This act amends Section 2 of Act 2008-494; authorizes the Talladega County Commission to levy a lodging tax in the amount of two percent of the charge for the rooms, lodgings, or accommodations, including the charge for use or rental of personal property and services furnished in the room; does not apply to rooms, lodgings, or accommodations supplied for a period of 30 continuous days or more in any place; campgrounds in the county are exempted from the tax.

*Effective Date:* April 24, 2012

**Act 2012-240 (HB 483)****Distribution of TVA Payments in Limestone County**

This act amends Section 1 of Act No. 79-501; provides for the further distribution of certain TVA payments to Limestone County Board of Education and Athens City Board of Education.

*Effective Date:* April 24, 2012

**Act 2012-241 (HB 507)****Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Monroe County**

This act facilitates the use of public records in property transactions in Monroe County by providing for the installation of an improved system of recording, archiving, and retrieving instruments and documents affecting the title to real and personal property and other documents recorded in the office of the judge of probate; provides for the collection and disposition of a special recording and filing fee of \$5.00; a special transaction fee of \$3 shall be paid to and collected by the judge of probate on any transaction, at the discretion of the judge of probate; provides that the system shall constitute official and permanent records in Monroe County.

*Effective Date:* July 1, 2012

**Act 2012-281 (SB 474)****Authorizes Barbour County Commission to Levy Additional Sales, Use, and Amusement Tax**

This act authorizes the Barbour County Commission to levy an additional sales, use, and amusement tax; provides for the collection, distribution, and use of the proceeds of the tax; prescribes penalties and fixes punishment for violation of the act; after a public hearing, the county commission, by recorded majority, may levy a sales, use, and amusement tax of not more than one-half cent (\$0.005); gives non-state third party administrator the same authority and power as the Department of Revenue in tax collection; in addition to the normal administration fees given to Revenue (up to 5% of gross collections), the administrator can bill the locality directly for any special counsel fees incurred in the tax collection effort; Revenue may employ special counsel as is necessary to enforce collection of the tax and to enforce this act; Revenue or other entity shall pay the special counsel any fees it deems necessary and proper from the proceeds of the tax collected by it for Barbour County

*Effective Date:* May 3, 2012

**Act 2012-301 (SB 473)**

**Increases Barbour County Board of Education School Tax District No. 1 Ad Valorem Tax**

This act increases the Barbour County Board of Education School Tax District No. 1 Ad Valorem tax by four mills to be used for school purposes; increased tax to be levied and collected in the School District No. 1 for each year beginning with the levy for the tax year October 1, 2012 to September 30, 2013 and ending with the levy for the tax year October 1, 2042 to September 30, 2043; tax to be levied after first submitted to the vote of the qualified electors in School District No. 1.

*Effective Date:* May 9, 2012. Contingent upon majority of voter approval in the Barbour County Board of Education School Tax District No. 1.

**Act 2012-308 (HB 404)****Prohibits any Municipality Located Entirely Outside of Lawrence County from Imposing Taxes**

This act proposes a local constitutional amendment relating to Lawrence County, to prohibit any municipality located entirely outside of Lawrence County from imposing any municipal ordinance or regulation, including, but not limited to, any tax, zoning, planning, or sanitation regulations, and any inspection service in its police jurisdiction located in Lawrence County; a municipality prohibited from imposing any tax or regulation under this amendment shall not provide any regulatory function or police or fire protection services in its police jurisdiction located in Lawrence County, other than public safety mutual aid.

*Effective Date:* Constitutional Amendment; contingent upon voter approval

**Act 2012-325 (HB 572)****State Revenue Commissioner Responsible for Ensuring Property in Russell County is Appraised, Mapped, and Valued in Accordance with Law**

This act amends Sections 2 and 3 of Act 343 of the 1976 Regular Session; clarifies that the State Revenue Commissioner is responsible for prescribing functions, duties, and responsibilities in Russell County to ensure that property is appraised, mapped, and valued in accordance with law; the county revenue commissioner is responsible for collecting the cost of the appraisal and mapping program from the various agencies that receive ad valorem tax revenues.

*Effective Date:* May 10, 2012

**Act 2012-337 (SB 476)****Distribution of Tobacco Payments in Clay County**

This act amends Sections 45-14-244.02 and 45-14-244.05; adds new Section 45-14-244.04; further provides for the distribution of tobacco payments in Clay County; re-establishes the District Community Service Office servicing Clay, Chambers, and Randolph Counties; statutorily allows Clay County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes; changes the distribution of proceeds collected for Clay County.

*Effective Date:* July 1, 2012

**Act 2012-338 (SB 487)****Distribution of Tobacco Tax in Chambers County**

This act amends Section 45-9-244; provides further for the distribution of the tobacco tax in Chamber County; re-establishes the District Community Service Office servicing Clay,

Chambers, and Randolph Counties; statutorily allows Chambers County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes the proceeds from the tax, less two percent of the actual cost of collection, will be distributed to the Chambers County General Fund.

*Effective Date:* July 1, 2012

**Act 2012-339 (SB 486)**

**Distribution of Tobacco Tax in Randolph County**

This act amends Sections 3 and 6 of Act 2003-213 and reenacts Section 5 of Act 2003-213; provides for the distribution of the tobacco tax; re-establishes the District Community Service Office servicing Clay, Chambers, and Randolph Counties; statutorily allows Randolph County to self-collect or contract with other entities, including the Department of Revenue, to collect its tobacco taxes the proceeds from the tax; the proceeds from the tax, less two percent of the actual amount of collection, shall be distributed to the Randolph County General Fund.

*Effective Date:* July 1, 2012

**Act 2012-365 (HB 574)**

**Authorizes a Mail Order Fee for Renewal of Business Licenses by Mail in Russell County**

This act authorizes the Russell County Commission to establish an additional fee to be entitled "Mail Order Fee" to off-set the costs or mailing or overhead relating to business license renewals; the fee will be collected by the judge of probate at the time of renewal and paid over to the county general fund.

*Effective Date:* August 1, 2012

**Act 2012-408 (SB 45)**

**Persons Absent from the State on Military Duty, Mission Assignment, or Similar Purpose Must Designate a Place of Residence in the State**

This act authorizes persons absent from the state on military duty, mission assignment, or other similar purposes to designate a place of residence in the state by filing a notarized declaration of residence with the judge probate of the county where the designated place of residence is located; specifies that the designation would not be effective for the purpose of voter registration or qualification for elected office; filing of a declaration of residence does not establish permanent residence for the person filing the declaration for either purposes of eligibility for the Alabama G.I and Dependents' Educational Benefit Act or for purposes of qualifying for in-state tuition rates at a state-supported institution of higher education, unless the person filed a personal income tax return with the state or would have been required to file a personal income tax return if the person had a tax liability.

*Effective Date:* August 1, 2012

**Act 2012-411 (SB 205)**

**Restricts Public Housing Authorities in Certain Class 3 Municipalities from Exercising Power of Eminent Domain Except with the Approval of the Municipality's Governing Body**

This act amends Section 24-1-28; requires municipal public housing authority in Class 3 municipalities, except Class 3 municipalities organized under Act 618 of the 1973 Regular Session, to obtain approval of the governing body of the municipality before exercising their power of eminent domain; also requires the housing authority to notify surrounding property

owners prior to the purchase of property for public housing purposes by publishing the notice in a newspaper of general circulation in the municipality for a period of three consecutive weeks prior to execution of any binding agreement to purchase the property.

*Effective Date:* August 1, 2012

**Act 2012-417 (SB 471)**

**Establishes the Florence/Lauderdale Tourism Board and Changes the Distribution of Lodging Tax Collections in Lauderdale County**

This act amends Section 7 of Act 86-441; establishes the Florence/Lauderdale Tourism Board; changes the distribution of Lauderdale County lodging tax collections; 75% of net proceeds will be distributed to the Florence/Lauderdale Tourism board and 25% will be distributed to the municipality where the lodging is located; provides for distribution of the revenue by the Alabama Department of Revenue.

*Effective Date:* May 15, 2012

**Act 2012-418 (SB 504)**

**Increases "General Purpose Tax" in the City of Madison**

This act approves a proposed increase in the maximum rate of the ad valorem tax in the City of Madison called the "General Purpose Tax" from 18 mills to 24 mills of taxable property; provides for a referendum; provides that the city may make the proposed increase effective beginning with the levy for the tax year beginning October 1, 2012; provides for the use and expenditure of revenues derived by Madison from the proposed tax rate increase.

*Effective Date:* Constitutional Amendment; contingent upon voter approval

**Act 2012-421 (SB 563)**

**Distribution of TVA Payments in Jackson County**

This act amends and reenacts Section 1 of Act 79-473; provides for the appropriation of funds received by Jackson County from payments made in lieu of taxes by the Tennessee Valley Authority; repeals Act 2011-611 and Act 2011-654.

*Effective Date:* December 1, 2012

**Act 2012-422 (SB 564)**

**Authorizes Greene County Commission to Levy Additional Ad Valorem Tax**

This act authorizes the Greene County Commission to levy an additional ad valorem tax of three mills on each dollar of taxable property and provides for a referendum.

*Effective Date:* Constitutional Amendment; contingent upon voter approval

**Act 2012-442 (HB 552)**

**Distribution of Lodging Tax Proceeds in Madison County to U.S. Space and Rocket Center Foundation**

This act amends Sections 3 and 4 of Act 2004-418; provides that the county lodging tax proceeds are distributed to the U.S. Space and Rocket Center Foundation; the tax terminates on September 30, 2022.

*Effective Date:* May 16, 2012

**Act 2012-446 (HB 636)**

**Issuance Fee Levied for Each Motor Vehicle Tag Issued in Marengo County**

This act authorizes the Marengo County Commission to impose an issuance fee, not to exceed \$5.00, to be levied and collected annually for each motor vehicle tag issued in the county; provides that the proceeds shall be used to supply resources to the Marengo County Economic Development Authority and for improvements to the Marengo County road systems; provides an exemption from payment of issuance fee to any person 65 or older; the act will be repealed on October 1, 2022.

*Effective Date:* October 1, 2012

**Act 2012-447 (HB 665)****Provides Penalties for Failure to Collect the Tax Levied on Tobacco Products in Blount County**

This act amends Section 45-5-244; provides penalties for the failure to collect the tax levied on tobacco products in Blount County.

*Effective Date:* August 1, 2012

**Act 2012-453 (HB 752)****Distribution of Severed Material Severance Tax in Franklin County**

This act provides for the distribution of severed material severance tax funds remitted to Franklin County for economic development, funds will be distributed to the Franklin County Development Authority and used exclusively for economic development.

*Effective Date:* May 16, 2012

**Act 2012-454 (HB 756)****Additional Ad Valorem Tax Levy in Greene County**

This act authorizes the Greene County Commission to levy an additional ad valorem tax of three mills on each dollar of taxable property; provides for a referendum; revenues received from tax will be paid to the county general fund for educational purposes.

*Effective Date:* Constitutional Amendment; contingent upon voter approval

**Act 2012-457 (HB 771)****Distribution of Tobacco Tax in Talladega County**

This act amends Section 7 of Act 90-424; provides for an additional county tobacco tax; proceeds from the tax, less the cost of collection, will be paid by the Department of Revenue to the Talladega County Commission; a portion of the proceeds will be distributed to the Talladega County Volunteer Program.

*Effective Date:* May 16, 2012

**Act 2012-480 (SB 572)****Distribution of TVA Payments in Marshall County**

This act amends Section 1 of Act 86-564; provides further for distribution of Marshall County's share of in-lieu-of-taxes TVA payments.

*Effective Date:* August 1, 2012

**Act 2012-481 (HB 741)**

**Winston County Judge of Probate to be Compensated on Salary Basis; One-Stop Issuance of Motor Vehicle License Plates by Judge of Probate**

This act provides for the judge of probate in Winston County to be compensated on a salary basis; provides for the one-stop issuance of motor vehicle license plates by the county judge of probate; fees will be remitted to the county general fund; provides that the judge of probate will perform all duties relating to the issuance of motor license plates in the county; provides that the judge of probate will perform the duties relating to the assessment and collection of ad valorem taxes on motor vehicles.

*Effective Date:* Constitutional Amendment; contingent upon voter approval. If ratified, the act will become effective at the beginning of the next term of office of the judge of probate.

**Act 2012-488 (HB 748)**

**Levies an Additional One Percent Sales and Use Tax on Certain Items and an Additional One-Half of One Percent on Certain Other Items in Baldwin County**

This act authorizes the Baldwin County Commission to levy an additional one percent sales and use tax on certain items and one-half of one percent on certain other items; distributes the proceeds to any local boards of education in the county in accordance with state law; the tax expires five years from June 1, 2013, unless renewed; prescribes penalties and punishment for violation of the amendment; provides for exemptions from the sales and use tax; tax may be collected either by the county commission or by any person, firm, or corporation that the commission may contract to collect the tax.

*Effective Date:* Constitutional Amendment; contingent upon voter approval.

**Act 2012-517 (HB 352)**

**Authorizes Class 3 Municipalities to File Expedited Quiet Title and Foreclosure Action**

This act authorizes Class 3 municipalities to file an expedited quiet title and foreclosure action in circuit court to establish clear title to tax sale properties acquired from the State Land Commissioner pursuant to Chapter 10 of Title 40.

*Effective Date:* May 22, 2012

**Act 2012-541 (HB 776)**

**Authorizes Geneva County Commission to Levy a One Percent Sales Tax**

This act authorizes the Geneva County Commission to levy a one percent sales tax, subject to a referendum, for constructing and maintaining a jail; the tax will be collected by the Department of Revenue, the county commission, or other entity the county has contracted to collect the tax; excess proceeds will go to road and bridge projects and resource officers for schools.

*Effective Date:* Constitutional Amendment; contingent upon voter approval

**Act 2012-547 (HB 685)**

**Installation and Maintenance of Improved System for Recording, Archiving and Retrieving Documents Affecting Property Titles in Jefferson County**

This act facilitates the use of public records in property transactions in Montgomery County by providing for the installation of an improved system of indexing, recording, archiving, and retrieving instruments and documents affecting the title to real and personal property and other

documents recorded in the office of the judge of probate; beginning June 1, 2012, a special indexing and filing fee of \$11 will be paid to and collected by the judge of probate.

*Effective Date:* May 23, 2012

## **General Revenue Related Acts 2012 First Special Session**

### **Act 2012-599 (HB 13)**

#### **Distribution of Remote Use Taxes; 75% of Future Collections to General Fund**

This act amends Sections 40-23-60, 40-23-85 and 40-23-174, and repeals Section 40-23-150; provides a definition for Remote Use Tax in Section 40-23-60 and changes the distribution of use taxes in Section 40-23-85 so that after the distribution of the 2% tax on gross proceeds from the sales of automotive vehicles and other distributions provided in Section 40-23-85, 75% of future collections from remote sellers and 25% of all current use taxes will be deposited into the General Fund; an amount sufficient to fund the Children's Health Insurance Program (CHIP) will be distributed annually as a first charge against the amounts allocated to the General Fund under Section 40-23-85; the legislative intent is that all amounts collected on transactions involving a seller located outside the state when the property is shipped or transported from outside the state will be considered use tax for the purpose of distribution, regardless of whether the taxes are considered sales taxes for other purposes.

*Effective Date:* October 1, 2012

### **Act 2012-600 (HB 25)**

#### **Makes Appropriations from Children First Trust Fund and Tobacco Settlement Funds for Fiscal Year Ending September 30, 2013**

This act appropriates, according to Section 41-15B-2.2, the sum of \$35,990,322 in tobacco tax revenues from the Children First Trust Fund (CFTF) to various agencies for the fiscal year ending September 30, 2013; appropriates the sum of \$48,523,192 from additional tobacco settlement funds to various agencies for the fiscal year ending September 30, 2013.

*Effective Date:* May 24, 2012